

Philippine Stock Exchange index (PSEi)

6,606.00

▲ 12.26 PTS.

▲ 0.18%

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BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P717.00 -P7.00 -0.97%	ACEN ACEN Corp. P7.04 +P0.04 +0.57%	AEV Aboitiz Equity Ventures, Inc. P57.80 -P0.45 -0.77%	AGI Alliance Global Group, Inc. P9.78 +P0.03 +0.31%	ALI Ayala Land, Inc. P27.80 —	AP Aboitiz Power Corp. P31.50 -P0.30 -0.94%	BDO BDO Unibank, Inc. P126.00 +P1.00 +0.80%	BPI Bank of the Philippine Islands P96.10 +P1.05 +1.10%	CNVRG Converge ICT Solutions, Inc. P17.10 -P0.10 -0.58%	EMI Emperador, Inc. P20.10 -P0.75 -3.60%
GLO Globe Telecom, Inc. P2,090.00 -P34.00 -1.60%	GTCAP GT Capital Holdings, Inc. P502.00 +P9.80 +1.99%	ICT International Container Terminal Services, Inc. P184.30 +P2.20 +1.21%	JFC Jollibee Foods Corp. P246.00 -P1.80 -0.73%	JGS JG Summit Holdings, Inc. P50.10 -P0.10 -0.20%	LTG LT Group, Inc. P8.83 +P0.08 +0.91%	MBT Metropolitan Bank & Trust Co. P53.00 +P0.60 +1.15%	MEG Megaworld Corp. P2.36 +P0.01 +0.43%	MER Manila Electric Co. P318.00 +P2.80 +0.89%	MONDE Monde Nissin Corp. P16.08 -P0.04 -0.25%
MPI Metro Pacific Investments Corp. P3.79 —	PGOLD Puregold Price Club, Inc. P33.65 +P0.05 +0.15%	RLC Robinsons Land Corp. P18.72 -P0.08 -0.43%	SCC Semirara Mining and Power Corp. P42.00 +P0.50 +1.20%	SM SM Investments Corp. P865.00 +P25.00 +2.98%	SMC San Miguel Corp. P98.50 -P0.20 -0.20%	SMPH SM Prime Holdings, Inc. P36.40 -P1.00 -2.67%	TEL PLDT, Inc. P1,654.00 —	URC Universal Robina Corp. P129.00 +P0.60 +0.47%	WLCON Wilcon Depot, Inc. P29.90 —

Analysts expect AREIT to register higher yields

By Justine Irish D. Tabile

THE approved additional swap shares of AREIT, Inc. as well as higher interest rates are expected to improve its dividend yield, according to analysts.

"AREIT may be an appealing investment at this time because of its 97% recorded building occupancy rate, 98% rental collection rate, and leases that are contracted with an average lease expiration of close to 6 years, exhibiting higher tenancy all over its properties," Timson Securities, Inc. Head of Online Trading

Marc Kebinson L. Lood said in a Viber message.

AREIT's income should be stable depending on its dividend yield which is expected to rise as interest rate rises, he added.

"Increases in interest rates may imply that the economy is strong and doing well, and thus companies are profiting and paying sizable dividends, particularly for AREIT, whose tenants are mostly business process outsourcing (BPOs)."

He added "that AREIT would benefit from a stronger dollar as a result of interest rate hikes in the United States."

Yields represent the return in dividends for the company's share-

holders, whereas dividends refer to the portion of a company's quarterly profit allocated to investors.

Yields are expected to rise as the price of AREIT shares are expected to be lowered in the market as an effect of rising rates, according to an analyst.

"Investing in AREIT is a hybrid of fixed income and equity; one can expect regularity in dividends mandated by law, as well as capital appreciation driven by AREIT's organic and inorganic growth," Mr. Lood said.

Regina Capital Development Corp. Head of Sales Luis A. Limlingan said that shareholders of AREIT may look "forward to sus-

tained dividend declaration against a volatile global equities market."

"The share-swap deal with Ayala Land will greatly improve AREIT's GLA (gross leasing area) by a little more than half a million square meters (sq.m.), giving the company a rather attractive AUM (assets under management) of around P60 billion," Mr. Limlingan added.

AREIT disclosed on Friday that the Philippine Stock Exchange approved its application to list an additional 483.24 million common shares to cover the company's property-for-share swap transaction with Ayala Land, Inc. (ALI).

The transaction will infuse three Vertis North Commercial Develop-

ment office buildings and a retail podium situated in Quezon City.

One and Two Evotech buildings in Nuvali Santa Rosa, Laguna and Negros Occidental's Bacolod Capitol Corporate Center and Ayala Northpoint Technohub will also be infused.

The approved listing would also infuse office condominium units at BPI-Philam Life buildings in Makati Central Business District and Madrigal Business Park in Alabang.

AREIT's GLA will then expand to 549,000 sq.m. and its AUM to P53 billion.

The swap shares were listed with the PSE on Thursday and are

subject to a lock-up period of 180 days with BPI Securities Corp. as escrow agent.

Year on year, the property-for-share swap increased AREIT's dividend per share by 13% in the first half.

"The importance of REITs listing in a company is that the capital raised will be used to acquire more properties for higher dividends, which is something that investors seek and an excellent addition to an investment portfolio," Mr. Lood said.

On Friday, AREIT closed 0.39% lower at P38.75 apiece, while its sponsor ALI closed unchanged at P27.80 apiece.

Globe Business: MSMEs seek DIY solutions for digitalization

MANY micro, small and medium enterprises (MSMEs) in the Philippines prefer more straightforward or do-it-yourself (DIY) technology solutions that enable them to address pain points in their digital transformation journeys quickly, Globe Business said.

When it comes to digital solutions, MSMEs want to see an immediate impact on their business, KD D. Dizon, head of MSME Group at Globe Business, told *BusinessWorld* in a recent interview.

"We want to make sure that these are really DIY solutions. It's not that they need a complex IT department to be able to execute them," she added.

Data from the Department of Trade and Industry show MSMEs comprise 99.5% of all businesses in the country, generating 62.66% of the country's employment in 2020.

"The main thing that they want to able to do is actually get new customers, retain their customers, and win back the customers they've lost due to the pandemic," Ms. Dizon said.

"So, we really try to help them improve their sales and interact with their customers because we need to help them bounce back," she added.

She said many MSMEs continue to struggle financially due to the public health crisis.

A bill recently filed at the Senate seeks to provide additional support for MSMEs, including interest-free loans from state-owned banks and an emergency fund for disaster recovery.

Senator Emmanuel Joel J. Villanueva, author of Senate Bill 138 or the MSME Stimulus Act, said the proposed law is intended to boost and popularize local products in domestic and international markets.

The measure will create the MSME Growth Stimu-

lus Program to extend assistance, strengthen, and facilitate the growth and development of MSMEs to create and sustain jobs across the regions.

INFRASTRUCTURE

MSMEs need communications infrastructure to "embrace digital transformation, which is crucial for MSMEs to grow," Ms. Dizon said.

"That's something we want to be able to support them with so that it's not going to be an overwhelming experience for them."

Among Globe Business' digital offerings are business-grade connectivity plans from GPlan Biz and GFiber Biz.

— Arjay L. Balinbin

OUTLIER

Investors mull ICTSI unit, Pampanga firm logistics venture

SHARES in Razon-led International Container Terminal Services, Inc. (ICTSI) moved sideways last week as investors assessed its subsidiary's partnership agreement with Pampanga-based Prime Alta Holdings, Inc. to form a freight forwarding and logistics business.

Data from the Philippine Stock Exchange (PSE) showed ICTSI ranking seventh in value turnover with P816.76 million worth of 4.48 million shares having exchanged hands on the trading floor from Sept. 5 to 9.

ICTSI shares closed at P184.30 apiece on Friday, inching up 0.7% from its Sept. 2 close. For the year, the stock has fallen by 5.5%.

"ICTSI moved sideways for the week as investors digested news on its newly formed joint venture with Prime Alta Holdings, Inc. and the sharp decline in Asia-US shipping rates," RCBC Securities, Inc. Research Analyst Inzaghi Rafael D. Cabacungan said in an e-mail.

"The shipping rates went down because of slower global trade from lower demand for goods," he added.

In a separate e-mail, IB Gimenez Research Securities, Inc. Research Head Joylin F. Telagen said ICTSI is consolidating at this price level that closed this week at P184.30 apiece.

"Investors are on the sidelines [last] week. However, this joint venture news will fundamentally improve the company's bottom line over the long term. But I think traders are waiting for a technical breakout before buyback," said Ms. Telagen.

For Mr. Cabacungan, the joint venture is beneficial for the port operator.

"We're still waiting for further disclosures to assess the impact to the stock's earnings," he added.

Last week, the Enrique K. Razon, Jr.-led port operator saw developments that include ICTSI's subsidiary, Abbotsford Holdings, Inc., signing a partnership deal with Prime Alta Holdings, Inc. to put up a freight forwarding and logistics business.

— Abigail Marie P. Yraola

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link https://bit.ly/3QtPDXe

Celebrate inclusivity with a deaf awareness, basic sign language seminar

The month of September is a significant month for those who are deaf. The World Health Organization celebrates International Week of Deaf People from September 19 to 25 with the theme "Building Inclusive Communities for All." Within that week, on September 23, the world will be celebrating International Day of Sign Languages with the theme "Sign Languages Unite Us."

Be more deaf aware this month of September as Overdoughs, the company that employees deaf partners, is organizing "A Deaf Awareness and Basic Filipino Sign Language (FSL) seminar" on September 13 and 27, 2022 from 4 pm to 5:30 pm at the Overdoughs Café in Promenade, Greenhills.

Organized in partnership with Hand and Heart, the workshop aims to help participants gain a more

thorough understanding of the deaf culture and to empower individuals to communicate more with Overdoughs' friendly and capable deaf partners and other members of the deaf community.

The sessions will cover the following:

- Deaf awareness workshop
- Deaf culture do's and don'ts
- How to communicate with the deaf
- Basic Sign Language – alphabet and greetings

Register now at [HTTPS://BIT.LY/THEGOODSIGN](https://bit.ly/THEGOODSIGN). Slots are limited!

PBEEd says skills more important than degrees

By Revin Mikhael D. Ochave
Reporter

COMPANIES should focus on job competencies instead of college degrees during the recruitment process, advocacy group Philippine Business for Education (PBEEd) said.

The Trade Chief recently recommended hiring more graduates of the Kindergarten to Grade 12 (K-12) program. Justine B. Raagas, PBEEd program director for workforce development, said that companies must look at the required job duties during the hiring process.

"[Companies] need to think of competencies. This means that they should think of the actual job and what the tasks entail so that when they hire or put out job advertisements, they don't check for a paper qualification first but the actual competencies," Ms. Raagas said in an interview last week.

For her part, PBEEd Executive Director Lovelaine B. Basillote said that companies should review their recruitment process to meet the competencies needed for the job.

"It's more of an overall review of the recruitment process so that you really hire a person fit for the job with the right competencies, making sure that you just hire for the job and the skills required of the job," Ms. Basillote said.

Trade Secretary Alfredo E. Pascual recently urged companies to hire more K-12 graduates.

"When you check the job descriptions nowadays, almost all require college degrees. This should change because we already have the K-12 program," he said.

"But it's still not enough to say that having the program is enough. We need to prove that the K-12 program is able to produce holistically developed individuals," he added.

"The mindset of people is that you cannot fully prepare for work when you don't have a college degree, which is totally an erroneous mindset," he pointed out.

Mr. Pascual also said that employers should invest in improving the skills of the country's workforce, which according to Ms. Basillote, is the government's responsibility.

"We think it is the responsibility of government to actually invest in human capital and continuously invest in its people," she said.

Del Monte eyeing e-commerce and brand expansions

DEL MONTE Pacific Ltd. (DMPL) is looking to distribute its products via both conventional and digital channels, a company official said.

"The group will continue to improve and expand its offering of high-quality products, and make these more readily available to consumers

through traditional and digital channels including e-commerce, and through more convenient formats," the company said in a statement on Friday.

"We remain relentless in pursuing initiatives that will generate sustainable sales and profit while proactively dealing with cost inflation,"

DMPL Managing Director and Chief Executive Officer Joselito D. Campos, Jr. said.

As part of the company's brand expansion, DMPL's subsidiary Del Monte Foods, Inc. (DMF) recently acquired the intellectual property of the Kitchen Basics brand. — Justine Irish D. Tabile

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link https://bit.ly/3RQJ25B